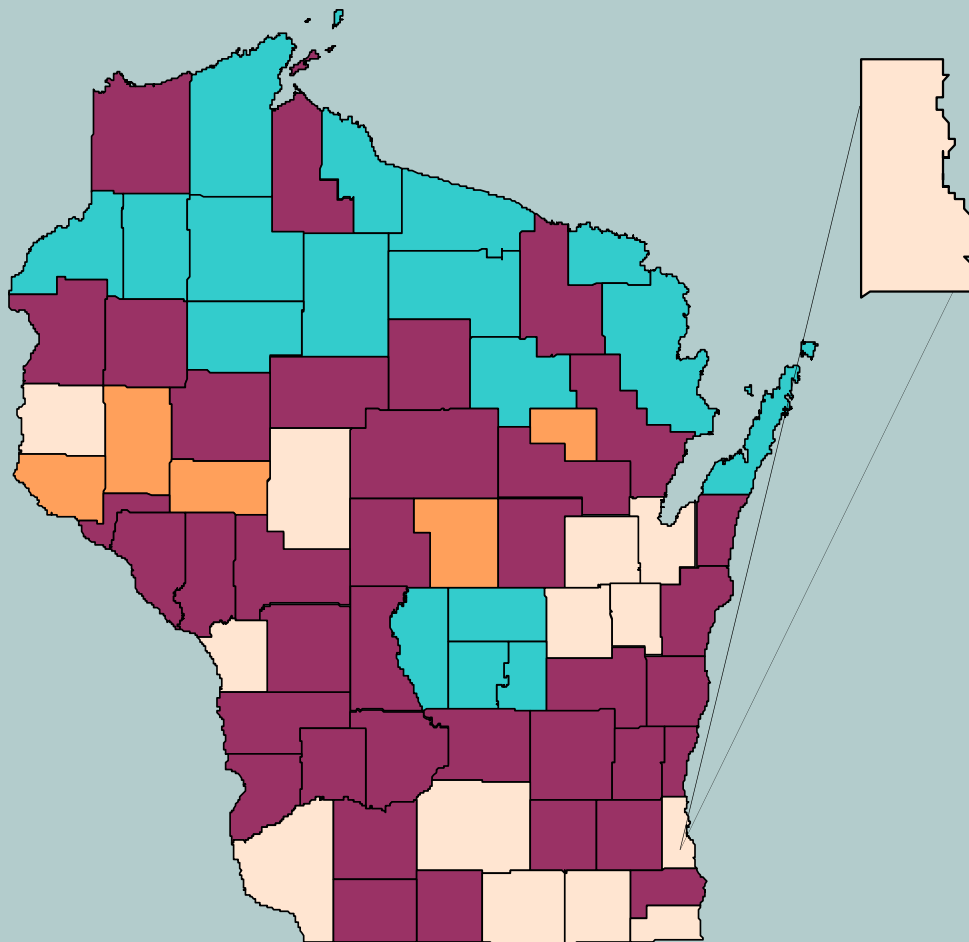


Milwaukee County Workforce Profile

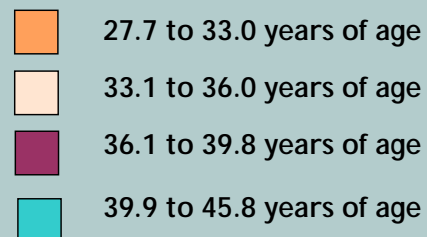
Median Age by County, 2000



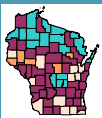
Your complete
guide to the
state of the
labor force of
today and a
glimpse into
the economy of
tomorrow.



State of Wisconsin
Department of Workforce Development
October 2002



Source: Census 2000 of the United States



County Population

The population of Milwaukee County posted a modest decrease between 2000 and 2001, fueled primarily by a continued pattern of out-migration from the City of Milwaukee to suburbs both in Milwaukee County and surrounding counties. In comparison, the nation and state each posted modest 0.7% increases over the course of the past year. While the disparity between growth in the nation and state and decline in the county presents some cause for concern, it is important to note that this shift is by no means a new trend. During the course of the past decade, for example, Milwaukee County experienced a 0.5% decrease in population as compared to 8.7% in the United States and 8.4% in Wisconsin. In fact, the county's population has been experiencing a steady state of decline since reaching its peak in 1960. Nonetheless, 17.4% of the state's population continued to call Milwaukee County home in 2001. This population concentration continues to affirm the county's status as the center of the state's largest economy and labor market.

The population shift occurring in the county is illustrated by a loss of 1,466 residents in the City of Milwaukee, compared to a loss of only 254 residents in the county. In the meantime, a number of suburban

communities reported significant population gains. Specifically, the cities of Franklin and Oak Creek each reported significant population gains over the past year, of 2.4% (705 residents) and 2.7% (776 residents) from 2000 to 2001. This annual growth continues a decade of phenomenal growth for the two municipalities over the 1990's when Franklin and Oak Creek grew by 31.8% and 40.8%, respectively. This growth is indicative of the relative growth pattern of the county's economy, as well, as a majority of new development in retail development, particularly has occurred in these communities.

The relative lack of growth and slight decline in population in the other suburban municipalities in the county should cause little alarm. Because of their especially small magnitude, as illustrated by the highest loss of 92 residents in Greenfield reflect nothing more than a mature suburban area with a relatively saturated housing market. Over the course of the past decade, 23,916 new housing units were built in the county. Despite the fact that the county lost population, this turnover in housing stock is again an indication of a mature region.

(Continued on page 2)

Total Population

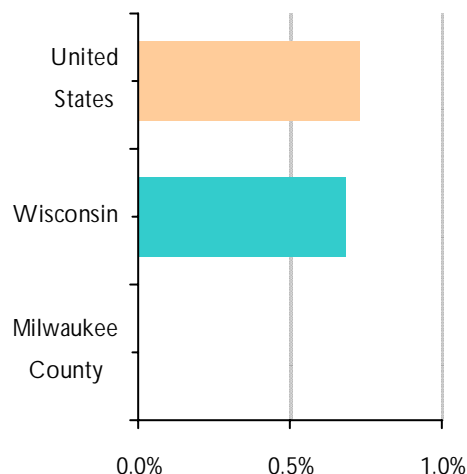
	2000 Census	January 1, 2001 Estimate	Percent change
United States	281,421,906	283,474,000	0.7%
Wisconsin	5,363,675	5,400,449	0.7%
Milwaukee County	940,164	939,919	0.0%

Ten Largest Municipalities

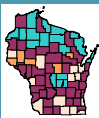
Milwaukee, City *	596,974	595,508	-0.2%
West Allis, City	61,254	61,164	-0.1%
Wauwatosa, City	47,271	47,179	-0.2%
Greenfield, City	35,476	35,568	0.3%
Franklin, City	29,494	30,199	2.4%
Oak Creek, City	28,456	29,232	2.7%
South Milwaukee, City	21,256	21,308	0.2%
Cudahy, City	18,429	18,437	0.0%
Greendale, Village	14,405	14,373	-0.2%
Whitefish Bay, Village	14,163	14,146	-0.1%

* Milwaukee portion only

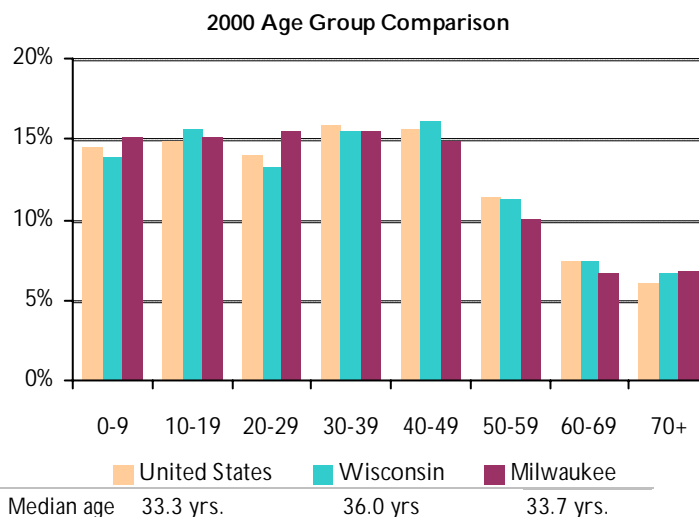
Population Growth 2000-2001



Source: Wisconsin Department of Administration, Demographic Services, 2002



Moving now from an analysis of the population changes that occurred over the past year to a greater, yet more focused look at a number of characteristics from the data that has become available from the 2000 decennial census, the picture of the population of a mature county in flux becomes even more pronounced. For example, an analysis of the composition of the county's population by ten-year age groups shows a number of interesting points. Upon first glance, a number of important conclusions immediately stand out. First, the population of the county, while mirroring the population of the state, has a higher concentration of younger residents, with regards to the distribution of population among the age groups. This is quite evident in the fact that, as a share of population, Milwaukee County has a significantly greater percentage of residents aged 20-29 consisting of a strong young professional class, and lesser percentages of residents aged 40 to 60. Additionally, it is interesting to note that, despite the large share of young workers, the percentage of the teenage population in the county is less than the state distribution, leading to the conclusion that growth in the 20 to 29 age cohort is primarily a result of migration. The consequences of this disparity on the future

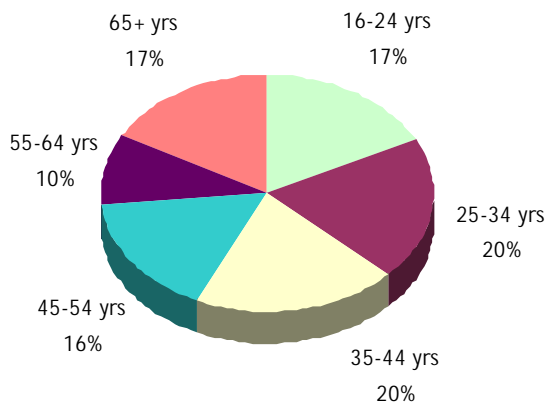


Source: US Department of Commerce, Census Bureau, *Census 2000*

labor force cannot be understated. While the current population shows a fairly robust labor force, the distribution of population across age groups suggests that, given the relatively small number of youth in the population, the county's labor force will see a significant decrease in its ranks over the course of the next decade as the county's median age increases. While this effect will be more pronounced statewide, its impact on the state and county economy cannot be ignored.

County Civilian Labor Force

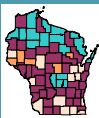
Milwaukee County Labor Force Age Groups



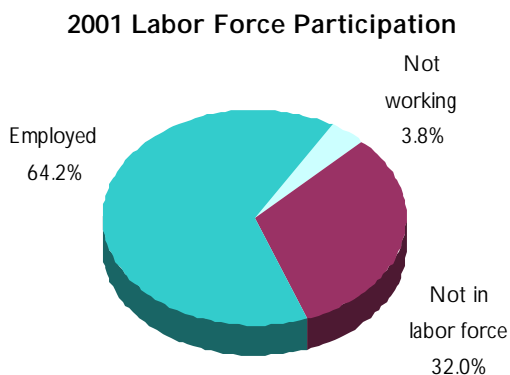
Source: US Dept. of Commerce, Census Bureau, *Census 2000*

As can be seen in the chart to the left, the civilian labor force of Milwaukee County demonstrates a distinct level of maturity. In this case, maturity can be ascertained by analyzing the distribution of those active in the labor force across broad age groups. A distribution where the labor force is concentrated among younger cohorts could be considered developing, while a labor force with a high concentration in the older cohorts could be considered declining. An analysis of these characteristics with respect to Milwaukee County presents a relatively even distribution of the labor force across the average working life. Particularly encouraging is the fact that those over age 65, whom are considered separated from the labor force, by and large is offset by those entering the workforce.

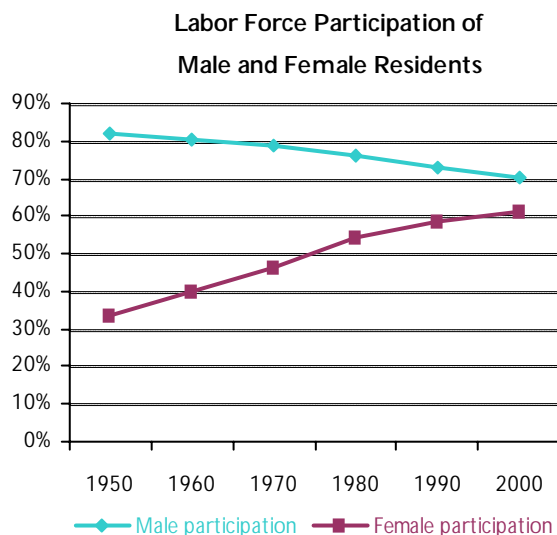
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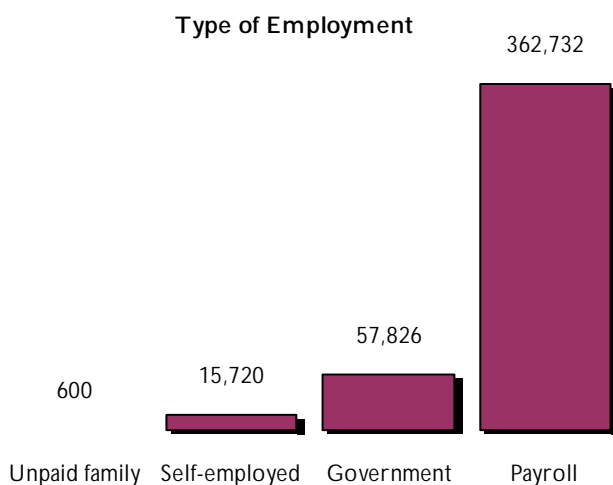
State of Wisconsin - Milwaukee County



Source: Estimated from WI Dept. of Administration population estimates, Jan. 2001, US Census Bureau, and WI Local Area Unemployment Statistics.



Source: US Dept. of Commerce, Census Bureau, *Census 2000*



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

This replacement rate suggests relative stability in the labor force for the foreseeable future.

The labor force is the sum of those employed and unemployed *that have actively sought work in the last month*. **Labor Force eligible must be 16 years or older and not a member of an institutional population** such as a prison or an armed forces member living on a military base. The term "unemployed" does not necessarily include all people who are not working. For example, those who are retired or choose not to work are not considered unemployed. The phrase "Not Working" in the graph below assumes unemployed for the purposes of this profile.

The labor force participation rate for Milwaukee County in 2001 was 68.0%, an increase of 0.8% from 2000. This is in comparison to a statewide labor force participation rate of 73.5% for the state, which is 0.7% higher than 2000, and a national rate of 66.9%, which is 0.3% than that reported in 2000. The disparity between these rates represents a number of interesting facts about the state and county's labor force. The traditional strength of the state's labor force is apparent as both the county and state labor force participation rates are above the national rate. However, the distinct disparity between the Milwaukee County and state rate can be explained, in part, by the relatively large number of job losses incurred in the county as compared to the state, as is represented by a county unemployment rate that is traditionally higher than the state rate. As a result of this disparity, the number of discouraged workers not considered part of the labor force is higher in Milwaukee County than in the state.

Another interesting trend that can be seen when analyzing the change in the labor force participation rate of males and females over the past fifty years. As is illustrated in the trend analysis to the left, the male labor force participation rate experienced a constant, yet slight decline between 1950 and 1990, yet declined sharply between 1990 and 2000. Conversely, the labor force participation rate of female workers in Milwaukee County has steadily increased over the course of the past fifty years, showing its most significant increase over the

(Continued on page 4)



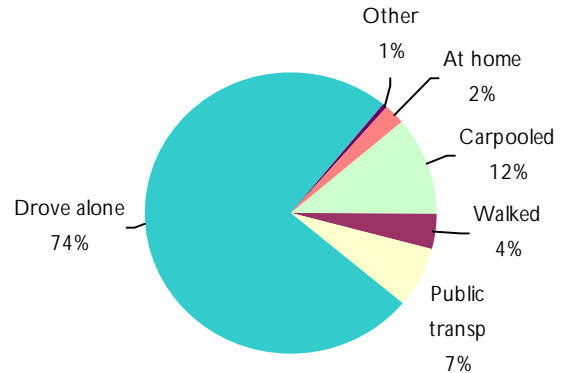
State of Wisconsin - Milwaukee County

course of the past decade. While there are a number of socioeconomic factors that may serve as possible explanations for these divergent trends, the most plausible economic factor facilitating this shift is the increased diversification of the county's industry mix away from the "traditional" industries of manufacturing and construction towards service-oriented industries.

An additional characteristic of the labor force that is vital to a comprehensive analysis is an analysis of the distribution of various types of employment. As illustrated by the chart on the previous page, a vast majority of Milwaukee County workers earn their livings through payroll, or private employment. Additionally, it is important to note the still strong government sector and the significant number of self-employed workers, which serves as an indicator of the growing entrepreneurial spirit in the county.

An analysis of commuting preferences in the county's labor force also reveals a number of interesting conclusions. A vast majority of the commuting workforce (86.0%) rely on motor vehicles for transportation to and from the workplace, either by

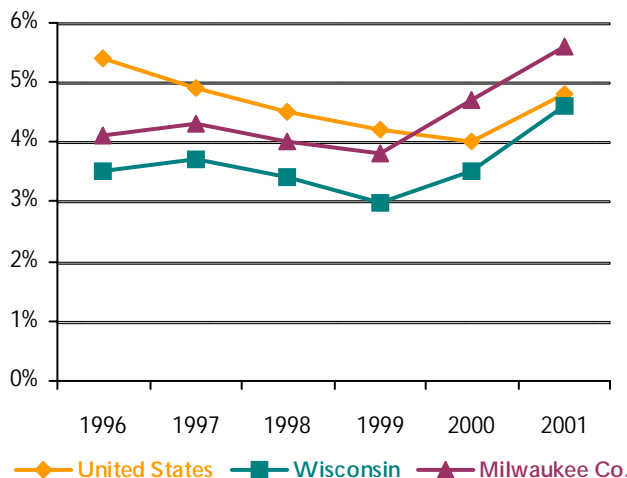
County Travel-to-Work Patterns



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

driving alone or carpooling. A significant, by relatively smaller number (7%) rely on public transportation, and the number of those who walk (4%) again reflects work and living patterns that move further away from the historical patterns observed during the early years of the county. Additionally, this number, which decreased significantly over the past decade suggests that the recent surge in residential development in downtown Milwaukee has had a negligible impact on the commuting patterns of the county's workforce.

Unemployment Rate Comparison

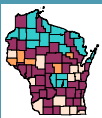


An comparative analysis of the county's unemployment rate shows that the county's labor force has increased significantly since 1999, growing from 3.8% in 1999 to 5.6% in 2001, exceeding both the national and state unemployment rate. This increase is attributed primarily to an increase of nearly 10,000 unemployed workers and an over 11,000 increase in the number of workers in the labor force. At the same time, job growth has been relatively modest, as evidenced by the 2,100 increase in the number of employed during the time period.

Milwaukee County Civilian Labor Force Data

	1996	1997	1998	1999	2000	2001
Labor Force	485,100	485,800	481,500	469,400	475,000	480,600
Employed	465,100	465,000	462,400	451,500	452,800	453,600
Unemployed	19,940	20,850	19,070	17,860	22,270	27,040
Unemployment Rate	4.1%	4.3%	4.0%	3.8%	4.7%	5.6%

Source: WI Department of Workforce Development, Local Area Unemployment Statistics, revised March 2002



County Industry Employment

Nonfarm Wage and Salary Employment

	1996	1997	1998	1999	2000	2001	Percent change	
							1 year	5 year
Total	532,197	538,817	545,139	552,206	551,198	543,591	-1.4%	2.1%
Goods Producing	109,192	109,239	107,485	105,228	101,841	96,409	-5.3%	-11.7%
Construction & Mining	12,362	12,990	12,976	13,730	13,754	13,305	-3.3%	7.6%
Manufacturing	96,830	96,248	94,509	91,498	88,087	83,103	-5.7%	-14.2%
Durable	66,819	66,762	65,221	62,394	59,476	55,172	-7.2%	-17.4%
Nondurable	30,011	29,487	29,288	29,104	28,611	27,931	-2.4%	-6.9%
Service Producing	423,005	429,578	437,654	446,978	449,356	447,183	-0.5%	5.7%
Transportation, Communications & Utilities	27,881	28,156	28,833	29,897	29,989	28,702	-4.3%	2.9%
Total Trade	110,197	110,127	110,506	109,443	107,726	104,828	-2.7%	-4.9%
Wholesale	25,833	26,054	26,055	25,542	24,893	24,347	-2.2%	-5.7%
Retail	84,365	84,073	84,451	83,900	82,833	80,481	-2.8%	-4.6%
Finance, Insurance, and Real Estate	41,982	42,998	42,276	42,171	40,183	39,939	-0.6%	-4.9%
Services & Misc.	180,612	185,577	192,636	201,773	207,170	208,292	0.5%	15.3%
Total Government	62,334	62,720	63,402	63,694	64,288	65,422	1.8%	5.0%

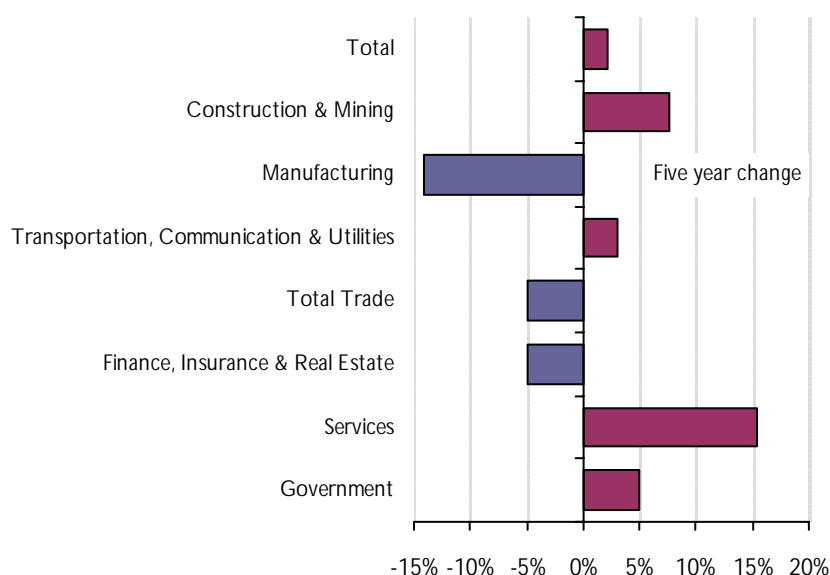
Source: WI Department of Workforce Development, Nonfarm wage and salary estimates, revised March 2002

The composition of Milwaukee County's economy exhibited some strong signs of change over the past year, many times reinforcing trends that have developed over the past five to ten years. As illustrated in the table above, a number of industries reported significant employment changes in 2001. Manufacturing firms, as a broad industry classification re-

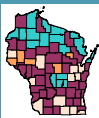
ported a 5.7% decrease in employment, with a majority of these losses coming in durable goods firms (7.2%). This trend is somewhat disconcerting as durable goods manufacturing has traditionally been an industry sector of strength for the county. Similarly, construction and mining (3.3%), transportation, communications and utilities (4.3%), and trade

firms (2.7%) reported significant losses in employment. In the case of construction and transportation, communications and utilities firms, these annual losses simply tempered what was a period of significant growth, as illustrated in the graph to the right. However, the loss of employment in trade firms, particularly in retail trade, which has experienced an employment loss of nearly 5% since 1996 is cause for some concern. As new retail business has been focused primarily in the southeast corner of the county, as well as in Waukesha County, retail trade has steadily moved away from downtown Milwaukee, particularly, and the City of Milwaukee, in general. However, occupational projections indicate that retail employment will grow significantly over the next several years, suggesting a renewed sense of hope for the sector.

Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002



State of Wisconsin - Milwaukee County

Top 10 Employers

Company	Product or Service	Size
Aurora Health Care Metro, Inc.	General Medical and Surgical Hospitals	1000+
Northwestern Mutual Life Insurance	Life Insurance	1000+
Medical College Of Wisconsin Inc.	Health Care/Education	1000+
U S Bank Natl Assn	National Commercial Banks	1000+
Allen-Bradley Co LLC	Relays and Industrial Controls	1000+
Aurora Health Care Inc.	General Medical and Surgical Hospitals	1000+
Froedtert Memorial Lutheran Hospita	General Medical and Surgical Hospitals	1000+
Metavante Corp.	Information Data Services	1000+
Children's Health System Group	General Medical and Surgical Hospitals	1000+
Home Depot Usa Inc.	Department Stores	1000+

Top 10 Industry Groups

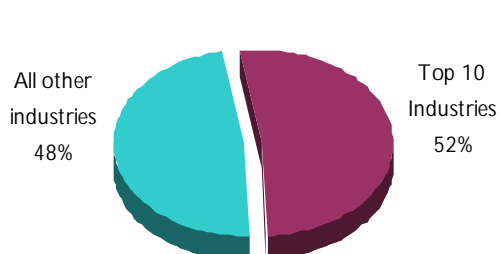
Industry Group	March 2001		Numeric change	
	Employers	Employees	1-year	5-year
Health Services	1,482	59,801	1,280	2,298
Business Services	1,392	53,623	-2,206	11,744
Educational Services	178	42,292	2,156	4,736
Eating and Drinking Places	1,182	29,729	169	1,143
Social Services	546	22,264	1,270	6,356
Executive, Legislative, and General	23	18,233	89	-1,615
Industrial Machinery and Equipment	321	16,838	-1,533	-6,004
Wholesale Trade-Durable Goods	1,096	15,461	-683	-1,217
Insurance Carriers	108	13,426	-313	324
Miscellaneous Retail	650	11,518	-172	-1,258

*data suppressed to maintain confidentiality

Top 10 Employers' Share of
Nonfarm Employment



Top 10 Industry Group Share
of Nonfarm Employment



Source: WI Department of Workforce Development, ES-202 file tape, December 2001

Private industry employment in Milwaukee County is dominated by the healthcare field, which boasts nearly 1,500 firms and nearly 60,000 employees. Among those firms, five — Aurora Health Care Metro, Medical College of Wisconsin, Aurora Health Care, Froedtert Memorial Lutheran Hospital, and the Children's Health Systems Group are among the top ten employers in the county. Much of the impetus behind this concentration in employ-

ment is due to the large population base in the area, and the proximity of a number of respected training programs in a variety of healthcare fields. These factors have led to the development of a number of renowned specialized practices and have positioned the county as a regional leader in healthcare — an industry that will become increasingly more important as the county and region's population ages.

(Continued on page 7)



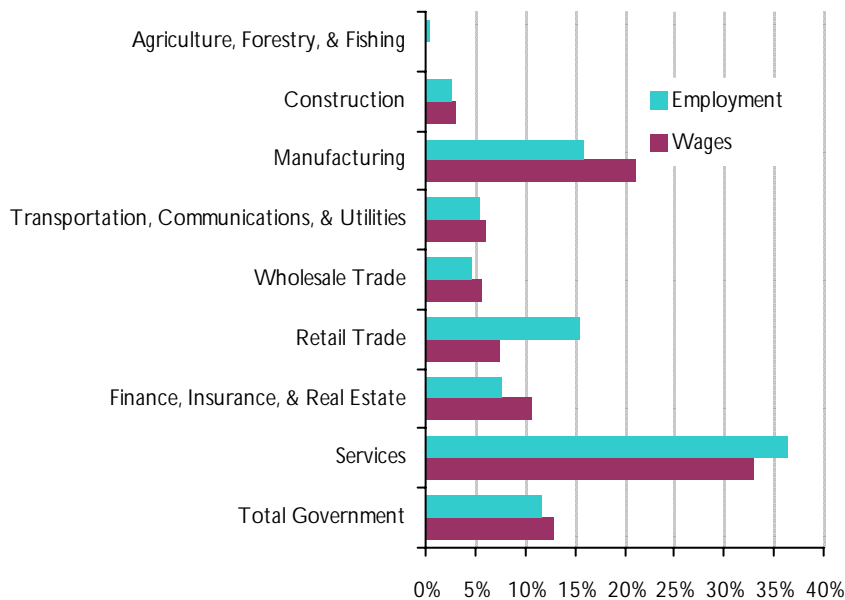
State of Wisconsin - Milwaukee County

It is also important to note the continued importance of the industrial machinery industry as well as the presence of a number of service-related industries tied to tourism, including eating and drinking places and miscellaneous retail. Additionally, the concentration of a large base of government services is evident by the presence of executive, general, and legislative government and social services industries among the top ten largest employers.

A final observation that can be made regarding the

dominant industry sectors in the county is that professional services firms are gaining importance in the county. This is evidenced by the presence of finance, insurance, and real estate firms, with a blend of traditional leaders such as U.S. Bank and Northwestern Mutual Life Insurance Company, and relatively new firms, such as Metavante. The emergence of these sectors is, in a way an offshoot of the traditional industrial presence in the community, as well as a sign of the increasing diversity of the county's economic makeup.

Employment & Wage Distribution by Industry Division



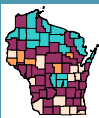
Milwaukee County is recognized as a main hub of economic activity in the state, and the wages paid by employers in the region reflect this status. Average annual wages for 2001 were \$35,753, or 15.6% higher than the state average of \$30,922. This represents a 2.9% increase over 2000 levels. This wage growth is a partial reflection of the competition for skilled labor that exists between firms in the metropolitan area, in general, and between firms in Milwaukee and Waukesha Counties, in particular. As a result, wages in industries such as construction (11.4% above the state average), manufacturing (19.5%), and finance, insurance, and real estate (21.2%) have grown to particularly high levels.

Annual Average Wage By Industry Division

	Milwaukee Co. Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-year percent change	5-year percent change
All Industries*	\$ 35,753	\$ 30,922	115.6%	2.9%	22.1%
Agriculture, Forestry, & Fishing	\$ 23,701	\$ 22,565	105.0%	4.2%	22.2%
Construction	\$ 43,451	\$ 39,011	111.4%	2.8%	21.2%
Manufacturing	\$ 47,468	\$ 39,739	119.5%	1.7%	21.8%
Transportation, Communications, & Utilities	\$ 39,482	\$ 36,639	107.8%	3.5%	23.1%
Wholesale Trade	\$ 43,250	\$ 40,521	106.7%	0.3%	20.5%
Retail Trade	\$ 17,109	\$ 14,596	117.2%	3.9%	20.5%
Finance, Insurance, & Real estate	\$ 49,476	\$ 40,933	120.9%	3.3%	28.0%
Services	\$ 32,515	\$ 28,775	113.0%	5.9%	27.7%
Total Government	\$ 39,504	\$ 33,785	116.9%	0.8%	15.0%

* Mining excluded from table since wages were suppressed to maintain confidentiality in every county

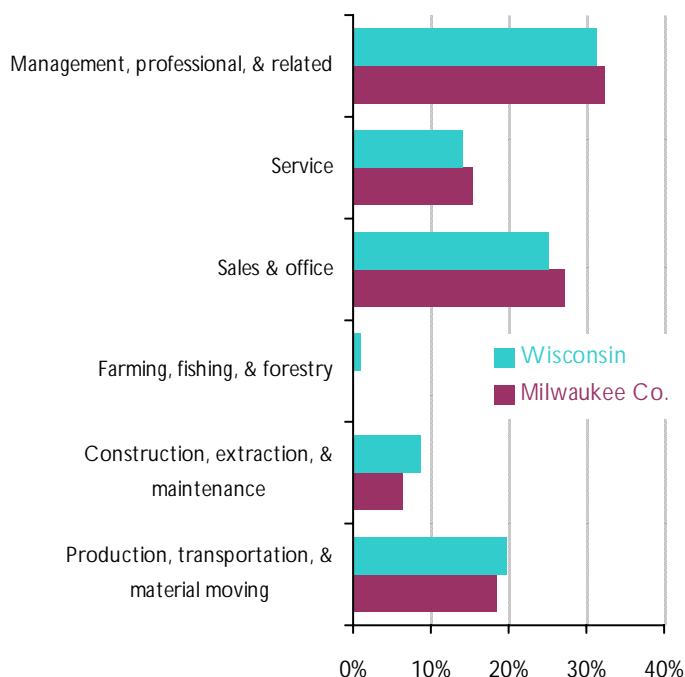
Source: WI DWD, *Employment, Wages, and Taxes Due covered by Wisconsin's U.C. Law, 2002*



Occupation and Education Characteristics of County Population

While all of the facets previously discussed are vitally important to forming a complete understanding of Milwaukee County's labor force, they do not tell the whole story. There are a number of additional factors that provide valuable knowledge about how workers in Milwaukee County earn a living. One of these facets is the occupational composition of the county's labor force. As can be seen by the chart to the right, the labor force of Milwaukee County is concentrated in four major occupational groupings — management and professional, sales and office, and production, transportation and material moving. Given the county's industry composition, which has been previously discussed, the dominance of these three occupational groupings comes as no surprise. Additionally, the relatively small emphasis placed on farming, fishing, and forestry occupations should come as no surprise in a primarily urban county. What is interesting is how the occupational groupings as a share of total employment compare to state shares of the same groupings. While Milwaukee County has traditionally had a very strong manufacturing base, the state actually has a higher share of production employees as a share of total employment than does the county. Similarly, given the growth of the region's construction market, it is interesting to note that, as a share of total employment, Milwaukee County has fewer workers engaged in construction, extraction and maintenance

Employment by Occupation Group: 2000

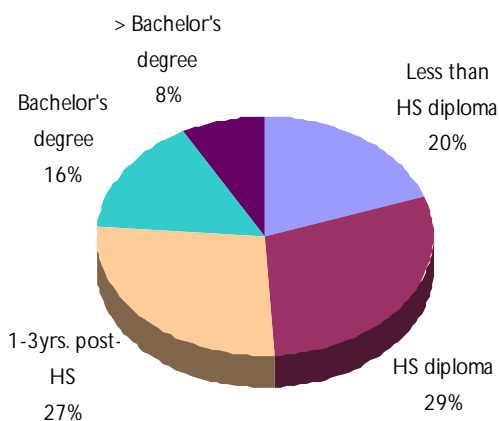


US Department of Commerce, Census 2000

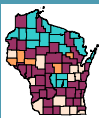
occupations than the state as a whole.

In addition to the occupations of the county's workforce, another facet vital to the understanding of the forces that shape the labor force is the level of education of the population. The chart to the left illustrates the educational attainment of the county's population according to the 2000 Census. Milwaukee County boasts a relatively high share of those with at least a high school diploma (80%), as well as those with a bachelor's degree (16%), and an advanced or professional degree (8%). The 20% of those without a high school diploma are a source of concern, particularly in light of a possible pending labor shortage. Also, the educational attainment data contained in the census figures does not include a measure of those with an associates or vocational degree. Due to the presence of a large and well-respected technical college system in the county, it can be assumed that a large percentage of the population possess these certifications.

Education Attainment in 2000



Source: US Dept. of Commerce, Census Bureau, *Census 2000*



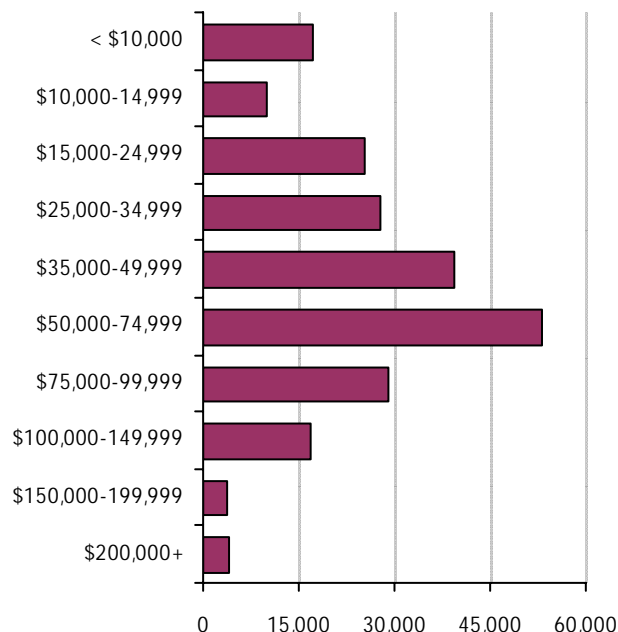
County Income Information

It could be easily argued that the counterpoint to any discussion of the labor force is a similar discussion of the income levels of the labor force. In Milwaukee County, the median household income in 1999 was \$38,100. As illustrated in the chart to the right, the income distribution of the county is relatively equally distributed, with a disturbing number of individuals, 17,259 reporting a household income below \$10,000, and an lesser percentage of households reporting incomes over \$150,000 than those in the suburban metropolitan counties. However, as a reflection of the high wages paid by firms in Milwaukee County and the in the Milwaukee-Waukesha metropolitan area, as a whole, the vast majority of the population, or nearly 93,000 households reported incomes between \$35,000 and \$75,000.

Despite this relative level of prosperity, the poverty rate of Milwaukee County remains quite high, with 11.7% of all families, 15.3% of individuals, and 30.7% of single mother families reporting incomes below the poverty line.

As an additional measure of income, the per capita personal income is useful as it incorporates a number of income sources outside of salary and wages. For 2000, the per capita personal income for Milwaukee County was \$28,909, which is higher than the state average of \$28,100, but less than the na-

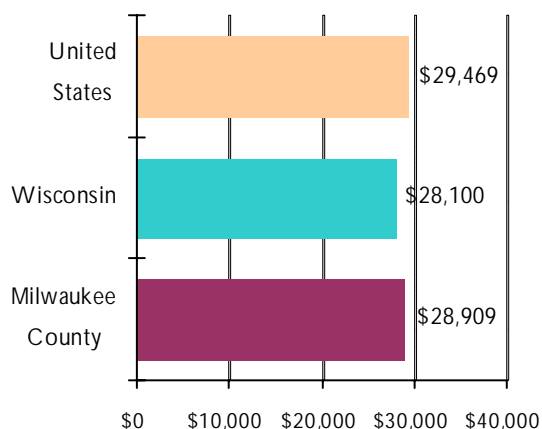
Households by Income Range
Median household income in Milwaukee Co. \$38,100



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

tional average of nearly \$29,500. This disparity can be explained partially by the relatively low level of investment of low income families in the county. Despite this, a per capita personal income and average wage level above the state average reinforces the county's position as the economic engine of the state.

Per Capita Personal Income 2000



Source: US Department of Commerce, Bureau of Economic Analysis

Components of Total Personal Income: 2000

